

purchases of countervailable logs and lumber is distortive in the case of companies with operations in British Columbia, petitioners object to Canfor's suggestion, that the company provide data on the volume of lumber and logs purchased by province and species. Petitioners are opposed to this argument, because the information has not been verified. Moreover, Canfor's proposed methodology would result in special treatment that would not be applicable to other companies in the expedited review. Petitioners assert that the Department's methodology should be consistent for all companies. Therefore, petitioners contend if the Department accepts Canfor's proposed methodology, it must require the same information from all companies and apply the methodology consistently.

#### Department's Position

We disagree with Canfor on these points. As explained above, these expedited reviews are predicated on the consistent application to all companies of a streamlined methodology which adheres, as closely as possible, to the methodology utilized in the underlying investigation.

#### *Comment 4: Whether Benefit From Resold Lumber Should Be Included in Reseller's Company-Specific Calculation*

Canfor contends that resold lumber transactions should be excluded from the numerator and the denominator in the Department's company-specific rate calculations. According to Canfor, a company may purchase lumber and resell it without ever taking possession of it. They contend that, for CBP purposes, the cash deposit rate applied to these entries would be that applicable to the manufacturer (*i.e.*, either the manufacturer's company-specific rate or the country-wide rate found in the investigation). Canfor argues that including a benefit from such resales in the reseller's company-specific calculation is inappropriate as the reseller's rate will not be applied to such lumber. Likewise, the sales value of such lumber resales should not be included in the denominator for the

reseller. Canfor concludes that only in cases where a company purchases and remanufactures it, is it appropriate to calculate a stumpage benefit on the remanufactured lumber sold by that company and to include the sales value of the remanufactured lumber in the denominator of its subsidy rate calculation.

#### Department's Position

With respect to resold lumber, we agree with Canfor that these transactions should not be included in the numerator or the denominator of the company's calculations. As explained in the "Preliminary Results of Review" section of the *May Preliminary Results*, in instances involving resales activity, we required information from all of the reseller's suppliers in order to calculate an individual net subsidy rate for those resales activities. In the case of Canfor, it did not provide any information regarding the suppliers of the merchandise that it resold. Therefore, consistent with the *May Preliminary Results*, we will calculate net subsidy rates for only lumber that Canfor has produced and exported to the United States. *See id.* at the "Preliminary Results of Review" section. Further, with respect to lumber that Canfor resold without any further processing or manufacturing, we will instruct the CBP to apply the company-specific rate applicable to the manufacturer of the resold lumber. If no company-specific rate was calculated for the manufacturer of the resold lumber, then we will instruct the CBP to apply the country-wide rate.

#### *Comment 5: Whether Shawood Lumber Inc.'s Reporting on Affiliation Is Consistent*

Petitioners contend that Shawood Lumber Inc. (Shawood) has inconsistent reporting between its exclusion request and the expedited review. Specifically, petitioners state that Shawood reported an affiliated company in its exclusion request. However, in the expedited review, it did not report any affiliated companies. Moreover, in the company exclusion process, Shawood reported

that it had received government assistance during the POI, but did not report government assistance in the expedited review process.

#### Department's Position

We disagree with petitioners. With respect to whether Shawood reported affiliates in its expedited review application, the reporting methodologies used by participating companies differed between the exclusion process and the expedited review process. In the exclusion process, companies signed certifications regarding their affiliation and cross-ownership status that were based on questionnaires and guidelines compiled and issued by the Government of Canada (GOC). *See* the GOC's October 29, 2001 submission. In contrast, in the expedited reviews, the Department has sent questionnaires directly to the participating companies that contain specific definitions and instructions regarding the issue of affiliation, and cross-ownership, as well as on other Federal and Provincial programs. Therefore, it is entirely possible, since different authorities issued separate and different questionnaires, that some discrepancies would exist. In addition, Shawood has provided detailed information on its affiliated logging company in its original and supplemental questionnaire responses in the current proceeding.

#### Verification

In accordance with 782(i)(3) of the Tariff Act of 1930, as amended (the Act), we may verify information submitted by respondents who receive a *de minimis* subsidy rate, prior to making our final determination.

#### Preliminary Results of Reviews

In accordance with 19 CFR 351.221(b)(4)(i), we calculated an individual subsidy rate for each producer/exporter subject to these expedited reviews. For the period April 1, 2000 to March 31, 2001, we preliminarily determine the net subsidy to be as follows:

Net subsidies—Producer/exporter	Net subsidy rate % for stumpage programs	Net subsidy rate % for other programs	Total net subsidy rate
Group 2, Round 1 Companies:			
Cambie Cedar Products Ltd .....	14.59	.....	.....
Canadian Forest Products Ltd .....	12.24	.....	.....
Commonwealth Plywood Co. Ltd .....	2.89	.....	.....
E. Tremblay et fils ltee .....	6.36	.....	.....
Federated Co-operatives Ltd .....	28.55	.....	.....
Greenwood Forest Products Ltd .....	7.95	.....	.....
Kalesnikoff Lumber Co. Ltd .....	12.10	.....	.....